SECRET SECURITY INFORMATION EXCISE

August 14, 1952

MEMORANDUM

yesterday

Oscar Chapman and Mr. W. Alton Jones, President of Cities Service Corporation, came to see me this morning. They had a talk with the President. Chapman had told me in advance of the purpose of the meeting, namely to discuss the Iranian oil situation. Chapman had also telephoned Mr. Acheson about it and, from his farm, Mr. Acheson phoned me to go ahead and talk to them. B1, ED

Mr. Jones showed me a letter from Dr. Mossadegh addressed to him inviting him to come to Iran and advise the Iranian Government how it might best get its oil industry operating again.

I gave them a background briefing on the situation there as we viewed it. Mr. Jones said that he must answer Dr. Mossadegh within the next couple of days as he had not previously responded to the invitation. He has, however, secured his passports and obtained airplane passage to leave here this Sunday night and arrive at Teheran about 48 hours later. I told him that there were some negotiations pending between the British and Iranian Governments which it seemed to me would make some postponement of his trip advisable. He said that that would be very difficult to do but that he would take the matter under consideration. He expressed the wish that I arrange for him to see Harriman. I did so B1, ED

The matter was left as follows:

(1) The State Department has no responsibility for Mr. Jones' trip or his conduct of the conversations.

(2) When the date of his departure is definitely set we will notify the British Embassy that he is going there on Dr. Mossadegh's invitation without any sponsorship by us.

(3) We will notify Ambassador Henderson to the same effect B1-ED

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CEC DATE 7-1-81
PORTIONS DENIED AS INDICATED

SECRET SECURITY INFORMATION

8/14/52

Mr. Jones believes that if Dr. Mossadegh offers any deal to an American oil company or companies, the rights of the AIOC must be safeguarded.

He also believes that the "50-50 ratio" should not be breached.

This afternoon, in a telephone conversation with Mr. Jones, he said that he had just been unexpectedly called from Teheran. His contact there had seen Dr. Mossadegh this morning and had been asked by Mossadegh to communicate with Mr. Jones and request him to answer the invitation. Dr. Mossadegh expressed the hope that it would be accepted and that Mr. Jones would come to Teheran immediately.

In my afternoon conversation, Mr. Jones said that following our morning talk he had postponed his travel arrangements from Sunday to Tuesday. He proposes to send a message today or tomorrow for communication to Dr. Mossadegh saying that he hopes to be able to come to Iran shortly and will advise him on Monday of the definite date he has in mind.

David Bruce

U:DB:GES